Installer Update–2025 #3
2025-10-10

Please find below an update on seasonal heat-pump rates, a summary of our progress since our June 2025 update, and *a question to installers (at the end) to which we hope you'll reply*.

Update on Discounted Electric Rates for Heat Pumps: The primary Massachusetts investor-owned electric utilities have all finalized their discounted residential rates for heat-pump users. The discounts (in effect November 2025 through April 2026) will be:

- Eversource:
  - 6.8 cents/kWh compared to current R-3 (electric heating) rate
  - 7.5 cents/kWh compared to R-1 (non-heating) rate
- National Grid: 4.2 cents/kWh
- Unitil: 6.5 cents/kWh.

The discounted rates will apply to the entire household electricity use, not just the heat-pump use. Based on Eversource's DPU filings, we estimate that the effective discount for the average MA household is 42% higher than reported above. By "effective discount", we mean the equivalent discount if the discount applied only to heat-pump electricity use. The effective discount should be used for estimating heating-season energy costs for heat pumps. Therefore, the ***effective discounts*** are (on average):

- Eversource: 9.6 to 10.7 cents/kWh compared to R-3 and R-1 rates, respectively
- National Grid: 5.9 cents/kWh
- Unitil: 9.3 cents/kWh.

For any individual household, the effective discount could vary widely depending on the portion of their winter electricity use that is associated with their heat pump(s).

Based on these discounts, we estimate that heating-season energy costs for air-source heat pumps will be on par with those for natural gas, and provide significant savings compared to propane or fuel oil.

Eversource and National Grid plan to automatically enroll customers who received a Mass Save® rebate for a heat pump installed after January 1, 2019. ***Others will need to enroll to receive these savings.*** Please refer your customers to these Mass Save resources:

- Seasonal Heat Pump Rates
- Seasonal Heat Pump Rates FAQs.

As a reminder, the Interagency Rates Working Group is recommending discounts of $0.12 to $0.17/kWh for heat-pump users for the 2026/2027 heating season. Discounts in this range should result in significant energy-cost savings for heat pumps compared to natural gas.

Progress Against our 2025 Goals (see table below): Requests for coaching continue to be slower than in previous years. Requests for community presentations and other events also continue to be slower than in past years, although we are seeing some uptick.

Progress by the Numbers–2025 Current Status

Description	2025 Start	Current Status	2025 Goal
Grow No. of Members	151	146[a]	200
Grow No. of Communities Represented	59	57[a]	75
Present/Table at Events	-	13	35
Coach Homeowners[b]	-	73+	200
Train/Mentor New Coaches[c]	-	25+	60

a) *In early 2025, we purged inactive Members from our count, so we show a net decrease in membership despite continuing new Member sign-ups*
b) *Excludes homeowners coached through community-based coaching programs.*
c) *Includes coaches for community-based coaching programs–not just Alliance coaches.*

On September 3, 2025, the Healey-Driscoll administration announced the latest awards under the Department of Energy Resources Energy Planning and Assistance program. The HeatSmart Alliance partnered with one of the successful applicants, the Pioneer Valley Planning Commission (PVPC). The PVPC is the regional planning agency for the Pioneer Valley, encompassing 43 cities and towns across Hampden and Hampshire counties. Under this project, the Alliance will provide training for up to 10 prospective heat-pump coaches and otherwise support the PVPC in establishing a coaching program in the Pioneer Valley. We're excited to be involved, and we look forward to working with the PVPC!

Question to Installers–Please Reply with your Suggestions: Given that, as of the end of 2025, heat pumps will no longer be eligible for a federal tax credit and that Mass Save rebates will be somewhat reduced, should a homeowner push to install a heat pump before the end of 2025 or would they be better off targeting early 2026 at this point?

If you have any questions, comments, or suggestions, please do not hesitate to contact us.

Best regards,
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About us: The *HeatSmart Alliance* is a volunteer organization whose mission is to accelerate the adoption of energy-efficient heat pumps in Massachusetts. We focus on air- and ground-

source heat pumps, heat-pump water heaters, and weatherization. Our key organizational objectives are:

- Educate residents about heat pumps through community presentations, our website, and other channels
- Provide one-on-one coaching to residents who are interested in evaluating heat pumps for their homes
- Facilitate the growth of community-based heat-pump coaching programs
- Inform local, state, and federal government policies.

The Alliance does not accept donations or referral fees from manufacturers or installers.